

# MICHIGAN ADOPTION SUBSIDY PROGRAM

## INFORMATION GUIDE



**State of Michigan  
Family Independence Agency**

**Family Independence Agency  
Adoption Subsidy Program**

**Table of Contents**

Definitions .....	1
1. Overview of adoption subsidy .....	2
2. Adoption <u>support</u> subsidy guidelines .....	3
3. Medicaid .....	7
4. Adoption <u>medical</u> subsidy guidelines .....	7
5. Adoptive parent responsibilities .....	10
6. Nonrecurring adoption cost reimbursement .....	11

## Definitions

**Adoptive Placement:** placement of the child in adoption by order of the court.

**Assistance Agreement:** means a written agreement between the Family Independence Agency (FIA) and the adoptive parent, describing the type of subsidy a child receives and conditions for continuing eligibility.

**Certification:** a determination by the FIA Adoption Subsidy Program, that an adoptee is eligible for a support subsidy or a medical subsidy.

**Finalization:** date the adoption is made final by order of the court.

**Foster Care:** placement of the child outside the parental home by and under the supervision of a licensed child placing agency, a probate court, the Family Independence Agency or the Department of Community Health.

# **1. Overview of Adoption Subsidy**

*Every child needs a family*

The purpose of support and medical subsidies is to remove financial barriers to the adoption of Michigan children with special needs. An adoptive child may be eligible to receive a support subsidy or a medical subsidy or both. The subsidies are intended to help with the costs of raising the child. They are not intended to cover every expense.

A support subsidy is a monthly payment to the parent or parents of an eligible adopted child. This payment provides assistance to support the adopted child and eligibility is determined before the petition for adoption is filed.

A medical subsidy pays for expenses that result from a physical, mental, or an emotional condition that existed, or the cause of which existed, before the adoption.

Adoption subsidies are administered by the Adoption Subsidy Program office which is located in the central office of the Family Independence Agency (FIA).

Questions concerning adoption subsidies should be directed to the local adoption worker prior to adoptive placement. After a subsidy case is opened, questions should be directed to an adoption subsidy specialist at the FIA in Lansing.

## 2. Adoption Support Subsidy Guidelines

### Definition

A support subsidy is a monthly payment to assist in the basic care of an eligible child who has been placed for adoption.

### Eligibility

A child may be eligible for a support subsidy if all of the following are met:

1. The child has been in Michigan foster care for not less than four months before certification.
2. A reasonable effort has failed to locate a qualified family or person willing to adopt without a subsidy, or the placement is the only placement in the child's best interest, and the family is requesting a subsidy.
3. The child is certified eligible **before** the adoption petition is filed.
4. The adopting parent and the director of FIA sign a written assistance agreement indicating the amount of support subsidy payment **before** the probate court issues the final Order of Adoption.

### Certification

The local adoption agency sends the information for certification to the FIA Adoption Subsidy Program office.

### Support Payments

A support subsidy is based on the foster care rate paid for the child. The parents' income does not affect the amount of support subsidy. If the child has, or is eligible for, income from other sources ( Social Security, Veteran's Benefits, etc.), the amount of support subsidy received may be affected.

Payment is effective the date the child is placed in adoption by order of the court if the parent(s) and the director of FIA have signed an assistance agreement before the date of the order. If the assistance agreement is signed after adoptive placement but before finalization, payment is effective the date the director signs the agreement.

The support subsidy payment is made to the adopting parent and normally arrives between the 1st and 10th to cover the month it is received. The first subsidy payment may be delayed for several weeks due to a transfer from the foster care payment system to the adoption subsidy payment system.

An adoption subsidy continues even if the adoptive family moves to another state or country.

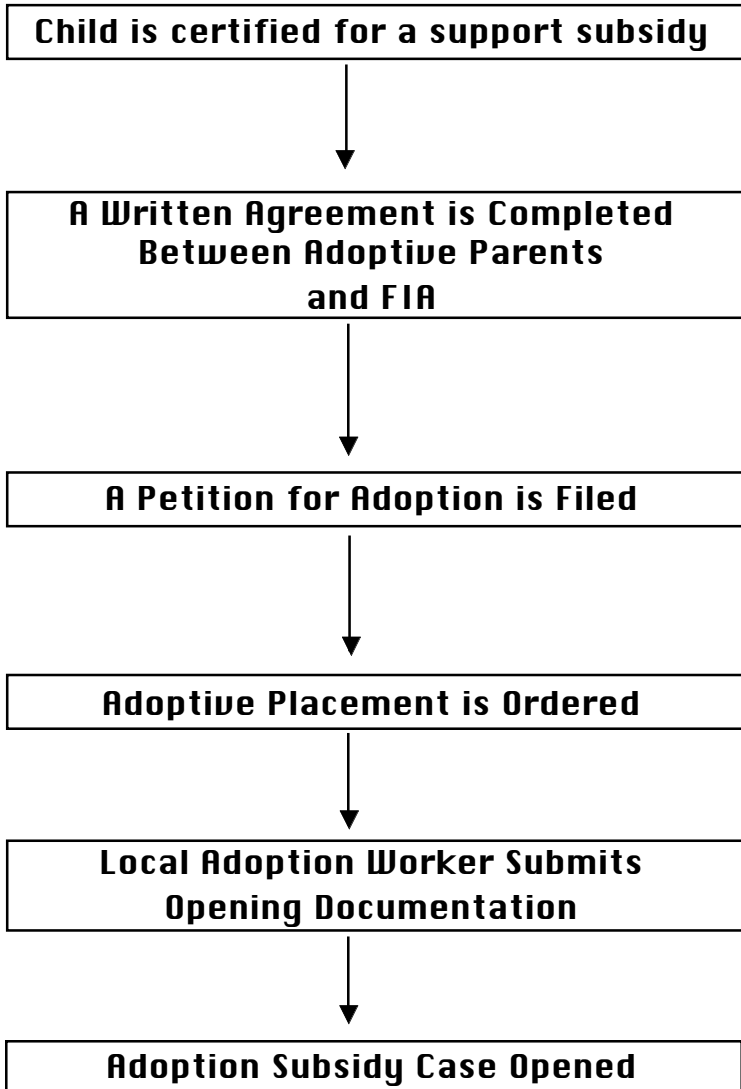
### **Support Subsidy Case Closure**

A support subsidy case is closed when one of the following occurs:

1. The family is no longer providing for the child's care.
2. The child turns 18 or is otherwise legally emancipated.
3. The child marries.
4. The child enters military service.
5. The child is placed outside the family home and the absence has lasted, or is expected to last, 30 days or more, and financial responsibility for the child is transferred from the family to another funding source ( public funding, including medical subsidy, private insurance, etc.).
6. The child dies.
7. The adoptive parent dies, unless a legal guardian is appointed by the court, and requests continuation of the support subsidy.

8. Government benefits paid to the family for the child, such as Social Security, Veteran's benefits, or Supplemental Security Income (SSI) exceed the amount of the support subsidy. When benefits are granted, but do not exceed the amount of support subsidy, subsidy shall not be terminated but shall be adjusted so that the total of benefits and subsidy equal, but do not exceed, the maximum support subsidy.

## ***Steps To Adoption Support Subsidy***





### **3. Medicaid**

Medicaid is a government funded medical assistance program. Most, but not all, children who receive a support subsidy are eligible for Medicaid coverage.

Medicaid is different from medical subsidy. Medicaid eligibility does not affect eligibility for medical subsidy. Medicaid is automatically opened for eligible children. No application is necessary.

### **4. Adoption Medical Subsidy Guidelines**

#### **Definition**

A medical subsidy provides payment for the treatment of physical, mental and emotional conditions that existed, or the cause of which existed, prior to the adoption of an eligible child.

#### **Eligibility**

A child may be eligible for a medical subsidy if **all of the following conditions are met:**

1. The child was in Michigan foster care at the time the petition for adoption was filed. (This is not a requirement for adoptions finalized in a Michigan court prior to June 28, 1992).
2. Certification of eligibility is requested before the child's eighteenth birthday.
3. The expenses to be covered by the medical subsidy are necessary because of a specified physical, mental or emotional condition which existed, or the cause of which existed, before the adoption petition was filed.

## Certification

The application procedure to certify a child for a medical subsidy depends on whether the child's adoption is pending or the child is already placed in adoption. For a child whose adoption is pending, the local adoption worker requests certification. If a medical subsidy is requested after the adoptive placement, the adopting parents request certification by submitting Form 1341A, "Request for Medical Subsidy for an Adopted Child", to the Adoption Subsidy Program.

## Medical Subsidy Payments

After the adoptive child is certified eligible for a medical subsidy, the adopting parents sign an agreement that specifies the conditions covered and the date coverage begins.

Medical subsidy pays for treatment of conditions specified in the agreement. It does not pay for routine medical care. Medical bills are not processed until both the adoptive parents and the FIA director have signed the agreement. All other available coverage or resources ( private health insurance, Medicaid, Children's Special Health Care Service, or any other public funds), must be applied before payment is made.

Medical subsidy payments are made for itemized bills submitted by the parent or service provider. **Payment is made at the rate approved by the Agency.** Payment can be made to the service provider, or the parent. Payment may be approved if **all** the following criteria are met:

1. The service is necessary to treat a certified condition.
2. The date of the service is on or after the effective date of the medical subsidy agreement.

3. All other private or public payment resources have been exhausted.
4. When required, authorization is obtained **prior to** treatment.
5. The parent and service provider both acknowledge treatment was provided.

Whenever possible, the family is requested to have the service provider submit bills covered by a medical subsidy. These bills are to be sent to: **FIA ADOPTION SUBSIDY PROGRAM**

**STE 413, PO BOX 30037, LANSING MI 48909**

### **Medical Subsidy Coverage**

A medical subsidy provides payment for necessary treatment of covered conditions provided by a licensed and/or trained person or by a licensed facility. Parents are responsible for the selection of service providers.

Payment for treatment does not usually require prior authorization. However the following are **not** routinely covered by medical subsidy and **must be authorized by** the Adoption Subsidy Program **prior to** treatment:

1. Residential treatment or placement outside the family home including hospitalization.
2. Assisted care services.
3. Transportation.
4. Educational costs and services such as (speech therapy, physical therapy, occupational therapy, tutoring, school equipment and supplies.)
5. Durable medical equipment (wheelchairs, ramps, etc.).

## **Medical Subsidy Case Closure**

A medical subsidy case is closed when **one** of the following occurs:

1. The family is no longer providing for the child's care.
2. The child is placed outside the family home and the family is no longer legally responsible for the child. (e.g. the child becomes a court ward, legal guardianship is transferred from the adoptive family, etc.)
3. The child turns 18 or is otherwise legally emancipated.
4. The child marries.
5. The child enters military service.
6. The child dies.
7. The child receives a family support subsidy from the Michigan Department of Community Health.

## **5. Adoptive Parent Responsibilities**

The written agreement between the Agency and the parents identifies the rights and responsibilities of both parties. Parents responsibilities include but are not limited to the following:

1. To spend the adoption subsidy on behalf of, or to benefit, the child.
2. To file an annual report with the Adoption Subsidy Program
3. To notify the Adoption Subsidy Program **in writing within two weeks** of any changes which might affect subsidy eligibility (changes in address, child leaves the home, death of the child, marriage of the child, death of a parent, divorce/separation of parents, the child's receipt of other benefits, etc.).

## **6. Nonrecurring Adoption Cost Reimbursement**

Families adopting some children with special needs are eligible for payment of “one-time-only” expenses related to adoption. Expenses such as legal fees, home study fees, medical and psychological evaluations, and transportation may be covered. Eligibility is closely linked to eligibility for a support subsidy. A separate agreement for nonrecurring adoption costs must be signed by the parent(s) and the Agency before finalization of the adoption. Your adoption worker can provide additional information and answer your questions regarding nonrecurring costs.

**Prepared by:**

Adoption Subsidy Program  
Family Independence Agency  
235 S. Grand Ave. Suite 413  
PO Box 30037  
Lansing, MI 48909

QUANTITY: 8,000  
COST: \$954.02 (\$.1190/each)  
AUTHORITY: FIA Director

The Family Independence Agency will not discriminate against any individual or group because of race, sex, religion, age, national origin, color, marital status, political beliefs or disability. If you need help with reading, writing, hearing, etc., under the Americans with Disabilities Act, you are invited to make your needs known to an FIA Office in your county.

FIA-Publication 538 (Rev. 9-97)  
Previous edition may be used

STATE OF MICHIGAN  
FAMILY INDEPENDENCE AGENCY  
235 S GRAND AVE  
PO BOX 30037  
LANSING MI 48909

**BULK RATE**  
U.S. POSTAGE  
**PAID**  
Lansing, Michigan  
Permit No. 1200